

**MINUTES OF REGULAR MEETING - VIDEO
OPEN SESSION
APRIL 19, 2012
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, April 19, 2012 a Regular Meeting - Video of the Illinois Gaming Board ("Board") was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Thursday, April 19, 2012 at approximately 10:05 A.M. the Board reconvened in Closed Session and remained in Closed Session until 10:10 A.M. when Member Lee Gould moved to adjourn and go into Open Session. Member Maribeth Vander Weele seconded the motion. The Board approved the motion unanimously by voice vote. The Open Session on Video Gaming started at approximately 10:45 A.M. Present were Chairman Aaron Jaffe, Members Gould, Michael Holewinski and Vander Weele.

APPROVAL OF MINUTES

Member Vander Weele moved that **the Board approve the open session minutes of its Regular Meeting of March 15, 2012.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call.

ADMINISTRATOR'S REPORT

Administrator Ostrowski gave a brief summary on the update of video gaming.

BOARD POLICY ITEMS

● **Proposed Rules – Section 1800.820**

The following are comments Caleb Melamed, Legislative Liaison to the IGB, made to the Board referencing Section 1800.820.

Sections 78(a)(3) and (b) of the Video Gaming Act grant to the Board both regular and emergency rulemaking authority regarding the Video Gaming Act. The Board's legal staff submits a proposal to amend the rules on video gaming as follows:

The distance between a licensed video gaming location and another facility shall be determined by measuring between the closest points on the outer walls of the structures containing the licensed video gaming location and the other facility.

Paragraph (h) of Section 25 of the Video Gaming Act prohibits the placement of licensed video gaming locations within specified distances of certain other facilities. Specifically, a licensed location shall not be located within 100 feet of a school or place of worship under the Religious

Corporation Act, or within 1,000 feet of either of the following: a facility operated by an organization licensee or an inter-track wagering licensee licensed under the Illinois Horse Racing Act of 1975 or the home dock of a riverboat licensed under the Riverboat Gambling Act.

The Video Gaming Act is silent, however, as to the exact method for measuring distances to comply with the above geographical restrictions. The proposed rulemaking adds a new Section 1800.820 clarifying that measurements are to be taken from the respective closest points on the outside walls of the structure containing the licensed video gaming location and the structure containing the school, place of worship, or racing or riverboat gambling facility.

Member Gould moved that **the Board authorize staff to submit a proposal to amend the Board's rules on Video Gaming – Section 1800.820 regarding the measurement of distances from locations – for First Notice Filing with the Secretary of State upon final review and approval by the Administrator.** Member Holewinski seconded the motion. The Board approved the motion unanimously by roll call vote.

SUPPLIER, MANUFACTURER AND DISTRIBUTOR LICENSEE ITEMS

- **Safe Pay Services, LLC – Supplier License**

Based on a review of staff's investigation and recommendation, Member Holewinski moved that **the Board approve Safe Pay Services, LLC for a Video Gaming Supplier's License effective April 19, 2012 for a period of one year, expiring in April 2013.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

TERMINAL OPERATOR LICENSEE ITEMS

- **Licensure of Terminal Operators**

Based on a review of staff's investigation and recommendation, Member Vander Weele moved that **the Board approve the following entities for Terminal Operator's Licenses effective April 19, 2012 for a period of one year, expiring in April 2013:**

- **A.S.A.P. Gaming, Inc.;**
- **Brass Ring Gaming, Inc.;**
- **Da Route LLC;**
- **DSG Amusement, Ltd.;**
- **Gaming & Entertainment Management - Illinois LLC;**
- **Grand River Jackpot, LLC;**
- **Great Lakes Vending, Corporation;**
- **Ideal Gaming, LLC;**
- **Illinois Operators, Inc.;**
- **Midwest Electronics Gaming, LLC.;**
- **MJ Solutions, LLC;**
- **Schaffner Gaming LLC;**

- **T's Gaming, LLC;**
- **Tangent Gaming Capital, LLC;**
- **Torch, LLC;**
- **Universal Gaming Group, LLC; and**
- **Velasquez Gaming, LLC.**

Member Holewinski seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Denial of Terminal Operators' Licenses**

Based on a review of staff's investigation and recommendation, Member Gould moved that **the Board deny the following entities' applications for a Terminal Operator's License:**

- **Alton Video Gaming, Inc.; and**
- **Cash Magic, L.L.C.**

Member Vander Weele seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS

- **AAA City Vendors Gaming, LLC**

Based on staff's investigation and recommendation, Member Holewinski moved that **the Board issue a Disciplinary Complaint against AAA City Vendors Gaming, LLC for engaging in conduct that would discredit or tend to discredit the Illinois gaming industry or the State of Illinois and that the Board revoke its Terminal Operator license, said action to take effect twenty-one (21) days from the date of service of the Complaint unless the Licensee files an Answer within that time period.** Member Gould seconded the motion. Before the Board voted on the motion, Chairman Jaffe made the following comments:

Before I vote on this proposed disciplinary complaint I would like to make a few comments. One of the arguments made by proponents of the Video Gaming Act was that strict regulation of the video gaming industry would remove all the bad apples from video gaming. That's clearly not true. AAA City Vendors was licensed by this Board on January 19, 2012 after the company was vetted by the IGB's investigative staff. Everything about this company came up clean. We found nothing to indicate illegal activity was occurring. But here we are now. I for one never believed that the legalization of an activity long considered the providence of organized crime would suddenly cleanse the video gaming industry of all bad influence. That's clearly not the case here. It's also clear to me, that illegal activity in this industry does not exist in a vacuum. The bar owners know this is occurring; the bartenders know that illegal payments are being handed out; the bar patrons and gamblers know this is happening and

most distressing of all, many local law enforcement officials have turned a blind eye to this crime for decades. This agency has been charged with the gargantuan task of regulating an industry long in the grips of organized crime. We will do our best to weed out the bad apples and pull the weeds; however, no matter how committed the Illinois Gaming Board and its employees are to accomplishing this task, we will never be one hundred percent successful. Thank you.

Thereafter, the Board approved the motion unanimously by roll call vote.

At 11:05 A.M. Member Vander Weele motioned to adjourn and Member Gould seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator